

# Internal Revenue bulletin

Bulletin No. 1998-30  
July 27, 1998

## HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

### INCOME TAX

Rev. Rul. 98-35, page 4.

LIFO; price indexes; department stores. The May 1998 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, May 31, 1998.

### EMPLOYEE PLANS

Notice 98-37, page 13.

Weighted average interest rate update. Guidelines are set forth for determining for July 1998, the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for purposes of the full funding limitation of section 412(c)(7) of the Code as amended by the Omnibus Budget Reconciliation Act of 1987 and by the Uruguay Round Agreements Act (GATT).

### EXEMPT ORGANIZATIONS

Announcement 98-70, page 17.

A list is provided of organizations that no longer qualify as organizations for which contributions are deductible under section 170 of the Code.

Announcement 98-71, page 17.

A list is given of organizations now classified as private foundations.

### EXCISE TAX

T.D. 8774, page 5.

REG-119227-97, page 13.

Temporary and proposed regulations under section 4082 of the Code relate to the kerosene and aviation fuel excise taxes and the tax on the first retail sale of certain tractors and truck, trailer, and semitrailer chassis and bodies (heavy vehicles). A public hearing on the proposed regulations will be held on November 4, 1998.

### ADMINISTRATIVE

Announcement 98-69, page 16.

INTL-54-91 and INTL-178-86 (1991-2 C.B. 1070), relating to foreign liquidations and reorganizations under section 367 of the Code, are amended.

Finding Lists begin on page 21.



Department of the Treasury  
Internal Revenue Service

# Mission of the Service

The purpose of the Internal Revenue Service is to collect the proper amount of tax revenue at the least cost; serve the public by continually improving the quality of our prod-

ucts and services; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency, and fairness.

## Statement of Principles of Internal Revenue Tax Administration

The function of the Internal Revenue Service is to administer the Internal Revenue Code. Tax policy for raising revenue is determined by Congress.

With this in mind, it is the duty of the Service to carry out that policy by correctly applying the laws enacted by Congress; to determine the reasonable meaning of various Code provisions in light of the Congressional purpose in enacting them; and to perform this work in a fair and impartial manner, with neither a government nor a taxpayer point of view.

At the heart of administration is interpretation of the Code. It is the responsibility of each person in the Service, charged with the duty of interpreting the law, to try to find the true meaning of the statutory provision and not to adopt a strained construction in the belief that he or she is "protecting the revenue." The revenue is properly protected only when we ascertain and apply the true meaning of the statute.

The Service also has the responsibility of applying and administering the law in a reasonable, practical manner. Issues should only be raised by examining officers when they have merit, never arbitrarily or for trading purposes. At the same time, the examining officer should never hesitate to raise a meritorious issue. It is also important that care be exercised not to raise an issue or to ask a court to adopt a position inconsistent with an established Service position.

Administration should be both reasonable and vigorous. It should be conducted with as little delay as possible and with great courtesy and considerateness. It should never try to overreach, and should be reasonable within the bounds of law and sound administration. It should, however, be vigorous in requiring compliance with law and it should be relentless in its attack on unreal tax devices and fraud.

# Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents of a permanent nature are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

## Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

## Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

## Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

## Part IV.—Items of General Interest.

With the exception of the Notice of Proposed Rulemaking and the disbarment and suspension list included in this part, none of these announcements are consolidated in the Cumulative Bulletins.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis and are published in the first Bulletin of the succeeding semiannual period, respectively.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

# Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

## Section 472.—Last-in, First-out Inventories

26 CFR 1.472-1: Last-in, first-out inventories.

**LIFO; price indexes; department stores.** The May 1998 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, May 31, 1998.

## Rev. Rul. 98-35

The following Department Store Inventory Price Indexes for May 1998 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, May 31, 1998.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups – soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

### BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS (January 1941 = 100, unless otherwise noted)

Groups	May 1997	May 1998	Percent Change from May 1997 to May 1998 <sup>1</sup>
1. Piece Goods . . . . .	529.2	534.6	1.0
2. Domestic and Draperies . . . . .	649.3	637.0	-1.9
3. Women's and Children's Shoes . . . . .	663.7	664.2	0.1
4. Men's Shoes . . . . .	918.8	907.9	-1.2
5. Infants' Wear . . . . .	642.0	629.1	-2.0
6. Women's Underwear . . . . .	537.7	576.1	7.1
7. Women's Hosiery . . . . .	296.7	306.1	3.2
8. Women's and Girls' Accessories . . . . .	566.2	546.5	-3.5
9. Women's Outerwear and Girls' Wear . . . . .	435.1	425.4	-2.2
10. Men's Clothing . . . . .	630.2	634.5	0.7
11. Men's Furnishings . . . . .	601.9	608.6	1.1
12. Boys' Clothing and Furnishings . . . . .	500.2	497.9	-0.5
13. Jewelry . . . . .	1004.9	986.2	-1.9
14. Notions . . . . .	755.8	786.5	4.1
15. Toilet Articles and Drugs . . . . .	907.2	951.0	4.8
16. Furniture and Bedding . . . . .	673.4	682.1	1.3
17. Floor Coverings . . . . .	592.7	602.7	1.7
18. Housewares . . . . .	806.3	814.2	1.0
19. Major Appliances . . . . .	242.0	238.5	-1.4
20. Radio and Television . . . . .	76.7	72.1	-6.0
21. Recreation and Education <sup>2</sup> . . . . .	109.8	105.1	-4.3
22. Home Improvements <sup>2</sup> . . . . .	132.4	134.3	1.4
23. Auto Accessories <sup>2</sup> . . . . .	107.2	106.6	-0.6
Groups 1 – 15: Soft Goods . . . . .	612.3	612.0	0.0
Groups 16 – 20: Durable Goods . . . . .	465.4	462.5	-0.6
Groups 21 – 23: Misc. Goods <sup>2</sup> . . . . .	112.2	109.1	-2.8
Store Total <sup>3</sup> . . . . .	560.7	557.9	-0.5

<sup>1</sup>Absence of a minus sign before percentage change in this column signifies price increase.

<sup>2</sup>Indexes on a January 1986=100 base.

<sup>3</sup>The store total index covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

## DRAFTING INFORMATION

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).

## Section 4082.—Exemptions for Diesel Fuel and Kerosene

*26 CFR 48.4082–8T: Kerosene; exemption for aviation-grade kerosene (temporary).*

T.D. 8774

DEPARTMENT OF THE TREASURY  
Internal Revenue Service  
26 CFR Parts 48, 145, and 602

Kerosene Tax; Aviation Fuel Tax;  
Tax on Heavy Trucks and  
Trailers

AGENCY: Internal Revenue Service  
(IRS), Treasury.

ACTION: Temporary regulations.

**SUMMARY:** This document contains temporary regulations relating to the kerosene and aviation fuel excise taxes and the tax on the first retail sale of certain tractors and truck, trailer, and semitrailer chassis and bodies (heavy vehicles). The regulations provide rules for the kerosene tax, the refund available to certain aviation producers, and the tax on heavy vehicles. The regulations relating to kerosene affect the tax liability of certain industrial users, refiners, terminal operators, throughputters, and persons that sell, buy, or use kerosene. The regulations relating to aviation fuel affect certain producers, retailers, and users of aviation fuel. The regulations relating to the tax on heavy vehicles affect vehicle manufacturers and dealers. The text of these regulations also serves as the text of the proposed regulations set forth in REG–119227–97, page 13 of this Bulletin.

**DATES:** These regulations are effective July 1, 1998. For dates of applicability, see §§48.4082–6T, 48.4082–7T(b), 48.4082–8T(f), 48.4082–9T(b), 48.4091–3T(f), 48.4101–3T(e), 48.6427–10T(c),

48.6427–11T(g), and 145.4052–1(a)–(2)(ii).

**FOR FURTHER INFORMATION CONTACT:** Frank Boland (202) 622-3130 (not a toll-free call).

## SUPPLEMENTARY INFORMATION:

### *Paperwork Reduction Act*

These temporary regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collection of information contained in these regulations has been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545–1608. Responses to this collection of information are required to obtain a tax benefit.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

For further information concerning this collection of information, and where to submit comments on the collection of information and the accuracy of the estimated burden, and suggestions for reducing this burden, please refer to the preamble to the notice of proposed rulemaking in REG–119227–97.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

### *Background*

This document contains amendments to excise tax regulations (26 CFR parts 48 and 145) that implement certain changes made by the Taxpayer Relief Act of 1997 (the 1997 Act) relating to taxes on kerosene, aviation fuel, and heavy vehicles.

### *Kerosene; the 1997 Act*

Section 4081 imposes a tax on certain removals, entries, and sales of taxable fuel. Before July 1, 1998, taxable fuel means gasoline and diesel fuel. As of that

date, however, the definition of taxable fuel is expanded by the 1997 Act to include kerosene. Thus, after June 30, 1998, tax is imposed on the removal of kerosene from a terminal at the terminal rack.

In addition, the 1997 Act extends the rules for the exemption of dyed diesel fuel to dyed kerosene. Thus, tax is not imposed on kerosene that (1) the IRS determines is destined for a nontaxable use (such as for heating), (2) is indelibly dyed in accordance with IRS regulations, and (3) meets any marking requirements that may be prescribed in regulations.

Also, the 1997 Act provides that undyed kerosene that is destined for a nontaxable use may be removed, entered, or sold tax free in three situations. First, in the case of aviation-grade kerosene, dyeing is not required if the kerosene is received by a person that is registered by the IRS for purposes of the aviation fuel tax imposed by section 4091. Second, dyeing is not required for feedstock kerosene that is received from a pipeline or vessel by a registered kerosene feedstock user. Kerosene used as a feedstock by other persons is exempt from the dyeing requirement to the extent provided by regulations. Finally, to the extent prescribed by regulations, dyeing is not required if kerosene is received by a registered wholesale distributor that sells kerosene exclusively to ultimate vendors that sell kerosene from a pump that is not suitable for use in fueling any diesel-powered highway vehicle or train (a blocked pump).

The 1997 Act adds section 4101(e) to provide that a terminal for kerosene or diesel fuel cannot be an approved terminal unless the operator of the terminal offers dyed diesel fuel and dyed kerosene for removal for nontaxable use. This provision is not applicable until July 1, 2000.

The 1997 Act generally applies to kerosene the credit and refund rules that apply to diesel fuel. Thus, a credit or refund is allowable to a registered ultimate vendor that sells taxed, undyed kerosene for use on a farm for farming purposes or for the exclusive use of a state or local government. In addition, a credit or refund is allowable to a registered ultimate vendor that sells taxed, undyed kerosene from a blocked pump or, to the extent provided by the Secretary of the Treasury, for blending



with heating oil to be used during periods of extreme or unseasonable cold.

#### *Kerosene; explanation of provisions*

Because kerosene is classified as a taxable fuel as of July 1, 1998, the rules (including definitions) in the existing regulations that apply to taxable fuel generally apply to kerosene.

The temporary regulations define kerosene as the kerosene described in ASTM Specification D 3699 (No. 1-K and No. 2-K) and ASTM Specification D 1655 (kerosene-type jet fuel).

Under the temporary regulations, tax is not imposed on the removal, entry, or sale of kerosene that is dyed with dye of the same strength and composition that is now required for diesel fuel. Also, every retail pump where dyed kerosene is sold must display a prescribed notice similar to the one now required on dyed diesel fuel pumps.

Under the temporary regulations, tax generally is not imposed on aviation-grade kerosene if the person that receives the kerosene in a transaction otherwise subject to tax (such as a person that buys kerosene at a terminal rack) is registered with respect to the section 4091 tax and, for sales after September 30, 1998, certifies that the kerosene will be used as a fuel in an aircraft. These buyers include registered aviation fuel producers (that is, persons with IRS registration numbers with an "H" suffix) and registered commercial airlines.

Transitional rules provide that tax generally is not imposed on aviation-grade kerosene that is destined for use as aviation fuel if an unregistered person (such as a fixed-base operator) receives the kerosene at a terminal rack and certifies (for sales after September 30, 1998) that the kerosene will be used as a fuel in an aircraft. The Treasury Department is considering whether this provision should be made a part of the final regulations, or whether persons that are presently unregistered should be required to register in order to receive aviation-grade kerosene tax free and requests comments on this issue. Comments may be submitted in the manner described under the ADDRESSES caption in the notice of proposed rulemaking on these subjects in REG-119227-97.

The temporary regulations describe the conditions under which a registered ultimate vendor may be eligible for a credit or refund with respect to taxed kerosene that it sells from a blocked pump. A blocked pump is defined as a fuel pump that is at a fixed location and that cannot be used to fuel any diesel-powered highway vehicle or train. Also, blocked pumps must display a prescribed notice.

The temporary regulations do not provide rules for the following: (1) the exception from the dyeing requirement for kerosene that is removed from a terminal for use as a feedstock, (2) the exception from the dyeing requirement for kerosene that is received by a registered wholesale distributor that sells kerosene exclusively to ultimate vendors that sell kerosene from a blocked pump, (3) the availability of a credit or refund to a registered ultimate vendor that sells kerosene for blending with heating oil to be used during periods of extreme or unseasonable cold, and (4) the requirement that a terminal for kerosene or diesel fuel cannot be an approved terminal unless the operator of the terminal offers dyed diesel fuel and dyed kerosene for removal for nontaxable use. Comments are also requested on these issues. Comments may be submitted in the manner described under the ADDRESSES caption in the notice of proposed rulemaking on these subjects in REG-119227-97.

#### *Aviation fuel*

The 1997 Act added section 4091(d), which allows a registered aviation fuel producer (including a registered wholesale distributor) to obtain a refund of tax previously paid on aviation fuel that it buys. The temporary regulations describe the procedures to be followed for the allowance of this refund. These procedures are similar to the procedures under section 4081(e) for refunds relating to taxable fuel on which two taxes have been paid.

#### *Registration of heavy vehicle manufacturers and retailers*

The tax on the sale of heavy vehicles imposed by section 4051 is a tax that applies to the first retail sale by the manufacturer, importer, or retailer of a vehicle. The tax is not imposed if a vehicle is sold for resale or for lease on a long-term

basis. Under existing regulations, this tax-free treatment applies only if both the seller and the buyer are registered by the IRS. Under the 1997 Act, however, the Treasury Department is to revise those regulations so that those sales may be made tax free even if the parties have not been registered by the IRS.

These temporary regulations generally provide that a person, such as a vehicle manufacturer, may sell a vehicle tax free if it accepts from its buyer, such as a vehicle retailer, a prescribed statement, signed under penalties of perjury, stating that the buyer will resell the vehicle or lease it on a long-term basis. Neither party will be required to be registered.

The temporary regulations do not affect the registration requirements for tax-free sales under section 4221, such as sales for the exclusive use of a state or local government.

#### *Special Analyses*

It has been determined that this Treasury decision is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that the time required to prepare and submit the exemption certificates described in these regulations (many of which are similar to certificates that are already in use) is minimal and will not have a significant impact on those small entities that choose to provide the certificates. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### *Drafting Information*

The principal author of these regulations is Frank Boland, Office of the Assis-

tant Chief Counsel (Passthroughs and Special Industries), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

\* \* \* \* \*

#### *Adoption of Amendments to the Regulations*

Accordingly, 26 CFR parts 48, 145, and 602 are amended as follows:

#### **PART 48—MANUFACTURERS AND RETAILERS EXCISE TAX REGULATIONS**

Paragraph 1. The authority citation for part 48 is amended by adding entries in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Sections 48.4082-6T, 48.4082-7T, and 48.4082-8T also issued under 26 U.S.C. 4082 \* \* \*

Section 48.4101-3 also issued under 26 U.S.C. 4101(a) \* \* \*

Sections 48.6427-10T and 48.6427-11T also issued under 26 U.S.C. 6427(n) \* \* \*

Par. 2. Section 48.4081-1T is added to read as follows:

#### *§48.4081-1T Taxable fuel; definitions (temporary).*

(a) [Reserved]

(b) *Definitions.*

*Kerosene* means, after June 30, 1998,—

(1) The two grades of kerosene (No. 1-K and No. 2-K) described in ASTM Specification D 3699; and

(2) Kerosene-type jet fuel described in ASTM Specification D 1655 and military specifications MIL-T-5624R and MIL-T-83133D (Grades JP-5 and JP-8). For availability of ASTM and military specification material, see §48.4081-1(c)(2)(i).

Par. 3. Sections 48.4082-6T, 48.4082-7T, 48.4082-8T, 48.4082-9T, and 48.4082-10T are added to read as follows:

#### *§48.4082-6T Kerosene; treatment as diesel fuel in certain cases (temporary).*

For purposes of §§48.4081-1(b) (the definition of taxable fuel), 48.4081-2(c), 48.4082-1, 48.4082-4, and 48.4082-5, after June 30, 1998, diesel fuel includes kerosene.

#### *§48.4082-7T Kerosene; notice required with respect to dyed kerosene (temporary).*

(a) *In general.* A legible and conspicuous notice stating: “DYED KEROSENE, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE” must be posted by a seller on any retail pump or other delivery facility where it sells dyed kerosene for use by its buyer. Any seller that fails to post the required notice on any retail pump or other delivery facility where it sells dyed kerosene is, for purposes of the penalty imposed by section 6715, presumed to know that the fuel will not be used for a nontaxable use.

(b) *Effective date.* This section is applicable after June 30, 1998.

#### *§48.4082-8T Kerosene; exemption for aviation-grade kerosene (temporary).*

(a) *Overview.* This section provides rules for exempting aviation-grade kerosene from the tax imposed by section 4081. Generally, under prescribed conditions, tax is not imposed on a removal, entry, or sale of aviation-grade kerosene if the kerosene is destined for use as a fuel in an aircraft.

(b) *Definition.*

*Aviation-grade kerosene* means kerosene-type jet fuel described in ASTM Specification D 1655 and military specifications MIL-T-5624R and MIL-T-83133D (Grades JP-5 and JP-8). For availability of ASTM and military specification material, see §48.4081-1(c)(2)(i).

(c) *Removals and entries not in connection with sales.* Tax is not imposed by section 4081 on the removal or entry not in connection with a sale of aviation-grade kerosene if—

(1) The person otherwise liable for tax is a taxable fuel registrant;

(2) In the case of a removal from a terminal, the terminal is an approved terminal; and

(3) The kerosene will be used as fuel in an aircraft and—

(i) The person otherwise liable for tax subsequently delivers the kerosene into the fuel supply tank of an aircraft or is registered under section 4101 with respect to the tax imposed by section 4091; or

(ii) The section 4091 tax has been imposed on the kerosene.

(d) *Removals and entries in connection*

*with sales.* Tax is not imposed under section 4081 on the removal or entry of aviation-grade kerosene in connection with a sale if—

(1) The person otherwise liable for tax is a taxable fuel registrant;

(2) In the case of a removal from a terminal, the terminal is an approved terminal; and

(3) The kerosene will be used as fuel in an aircraft and—

(i) The buyer is registered under section 4101 with respect to the tax imposed by section 4091;

(ii) The buyer is buying for its use in a nontaxable use (as defined in section 4092(a)); or

(iii) The section 4091 tax is, or has been, imposed on the kerosene.

(e) *Evidence under paragraph (d)(3)—*

(1) *In general—*(i) *Sales before October 1, 1998.* For sales before October 1, 1998, the requirements of paragraph (d)(3) of this section will be considered to have been met if the person otherwise liable for tax has an unexpired certificate (described in this paragraph (e)) from the buyer and has no reason to believe that any information in the certificate is false.

(ii) *Sales after September 30, 1998.* For sales after September 30, 1998, the requirements of paragraph (d)(3) of this section are met only if the person otherwise liable for tax has an unexpired certificate (described in this paragraph (e)) from the buyer and has no reason to believe that any information in the certificate is false.

(2) *Certificate.* The certificate to be provided by a buyer of aviation-grade kerosene is a statement signed under penalties of perjury by a person with authority to bind the buyer, in substantially the same form as the model certificate provided in paragraph (e)(4) of this section, and that contains all information necessary to complete the model certificate. A new certificate or notice that the correct certificate is invalid must be given if any information in the current certificate changes. The certificate may be included as part of any business records normally used to document a sale. The certificate expires on the earliest of the following dates:

(i) The date one year after the effective date of the certificate (which may be no earlier than the date it is signed).

(ii) The date the buyer provides a new certificate or notice that the current certificate is invalid to the seller.

(iii) The date the seller is notified by the Internal Revenue Service or the buyer that the buyer's right to provide a certificate has been withdrawn.

(3) *Withdrawal of the right to provide a certificate.* The Internal Revenue Service may withdraw the right of a buyer of aviation-grade kerosene to provide a certificate under this section if the buyer uses or disposes of aviation-grade kerosene to which a certificate applies other than as a

fuel in an aircraft. The Internal Revenue Service may notify any seller to whom the buyer has provided a certificate that the buyer's right to provide a certificate has been withdrawn.

(4) *Model certificate.*

CERTIFICATE OF PERSON BUYING AVIATION-GRADE  
KEROSENE FOR USE AS A FUEL IN AN AIRCRAFT

(To support tax-free removals and entries of aviation-grade kerosene under section 4081 of the Internal Revenue Code.)

Name, address, and employer identification number of seller \_\_\_\_\_ ("Buyer") certifies the following under penalties of perjury: Name of Buyer

The aviation-grade kerosene to which this certificate relates will be used as fuel in an aircraft.

Buyer is (check one):

\_\_\_\_\_ Registered under section 4101 of the Internal Revenue Code with respect to the tax imposed by section 4091 with a registration number of \_\_\_\_\_

\_\_\_\_\_ Buying the kerosene for its use in a nontaxable use (as defined in section 4092(a)).

\_\_\_\_\_ Buying the kerosene for its use (other than a nontaxable use) in commercial aviation (as defined in section 4092(b)).

\_\_\_\_\_ Buying the kerosene for its use (other than a nontaxable use) in noncommercial aviation (as defined in section 4041(c)(2)).

\_\_\_\_\_ Buying the kerosene for resale.

This certificate applies to the following (complete as applicable):

If this is a single purchase certificate, check here \_\_\_\_\_ and enter:

1. Invoice or delivery ticket number \_\_\_\_\_

2. \_\_\_\_\_ (number of gallons)

If this is a certificate covering all purchases under a specified account or order number, check here \_\_\_\_\_ and enter:

1. Effective date \_\_\_\_\_

2. Expiration date \_\_\_\_\_

(period not to exceed 1 year after the effective date)

3. Buyer account or order number \_\_\_\_\_

Buyer will provide a new certificate to the seller if any information in this certificate changes.

Buyer understands that if Buyer violates the terms of this certificate, the Internal Revenue Service may withdraw Buyer's right to provide a certificate.

Buyer has not been notified by the Internal Revenue Service that its right to provide a certificate has been withdrawn.

Buyer understands that the fraudulent use of this certificate may subject Buyer and all parties making any fraudulent use of this certificate to a fine or imprisonment, or both, together with the costs of prosecution.

\_\_\_\_\_  
Printed or typed name of person signing

\_\_\_\_\_  
Title of person signing

\_\_\_\_\_  
Employer identification number

\_\_\_\_\_  
Address of Buyer

\_\_\_\_\_  
Signature and date signed



(f) *Effective date.* This section is applicable after June 30, 1998.

*48.4082–9T Kerosene; exemption for non-fuel feedstock purposes (temporary).*

(a) *In general.* Tax is not imposed under section 4081 and §48.4081-3(e)(1) if, upon the removal of kerosene from a pipeline or vessel, the kerosene is received by a taxable fuel registrant that is a kerosene feedstock user. For this purpose, a *kerosene feedstock user* is a person that receives kerosene by bulk transfer for its own use in the manufacture or production of any substance (other than gasoline, diesel fuel, or special fuels referred to in section 4041).

(b) *Effective date.* This section is applicable after June 30, 1998.

*§48.4082–10T Kerosene; additional exemption from floor stocks tax (temporary).*

The floor stocks tax imposed by section 1032(g) of the Taxpayer Relief Act of 1997 does not apply to kerosene that satisfies the dyeing requirements of §48.4082-1(b) by the earlier of—

(a) September 30, 1998; or

(b) The time the kerosene is sold by the person otherwise liable for the floor stocks tax.

Par. 4. Section 48.4091-3T is added to read as follows:

*§48.4091–3T Aviation fuel; conditions to allowance of refunds of aviation fuel tax under section 4091(d) (temporary).*

(a) *Overview.* This section provides the conditions under which a refund of tax imposed by section 4091 is allowable with respect to taxed aviation fuel that is held by a registered aviation fuel producer. No credit against any tax imposed by the Internal Revenue Code is allowed under section 4091(d).

(b) *Conditions to allowance of refund.* A claim for refund of tax imposed by section 4091 with respect to aviation fuel is allowed under section 4091(d) and this section only if—

(1) A tax imposed by section 4091 with respect to the aviation fuel was paid to the government by an importer or producer (the first producer) and the tax has not been otherwise credited or refunded;

(2) After imposition of the tax, the aviation fuel is acquired by a person that is a registered aviation fuel producer (the second producer);

(3) The second producer has filed a timely claim for refund that contains the information required under paragraph (d) of this section; and

(4) The first producer and any person that owns the fuel after its sale by the first producer and before its purchase by the second producer (a subsequent seller) have met the reporting requirements of paragraph (c) of this section.

(c) *Reporting requirements—(1) In general.* The reporting requirements of this paragraph (c)(1) are met if the first producer files a report (the first producer's report) that—

(i) Is in substantially the same form as the model report provided in paragraph (c)(2) of this section (or such other model report as the Commissioner may prescribe);

(ii) Contains all information necessary to complete such model report; and

(iii) Is filed at the time and in the manner prescribed by the Commissioner.

(2) *Model first producer's report.*

#### FIRST PRODUCER'S REPORT

---

First Producer's name, address, and employer identification number

---

---

Buyer's name, address, and employer identification number

---

---

Date and location of taxable sale

---

---

Volume and type of aviation fuel sold

---

---

Amount of federal excise tax paid on account of the sale

---

Under penalties of perjury, First Producer declares that First Producer has examined this statement, including any accompanying schedules and statements, and, to the best of First Producer's knowledge and belief, it is true, correct and complete.

---

Printed or typed name of the person signing

---

---

Title of person signing

---

---

Signature and date signed

---

(3) *Information provided to buyers.* The reporting requirements of this paragraph (c)(3) are met if a first producer that filed a first producer's report under paragraph (c)(1) of this section gives a copy of the report to the person to whom the first producer sells the aviation fuel.

(4) *Statement of subsequent seller*—(i)

*In general.* The reporting requirements of this paragraph (c)(4) are met if—

(ii)(A) Each subsequent seller gives to its buyer a copy of a statement that provides all information (whether or not in the same format) necessary to complete the model statement prescribed in paragraph (c)(4)(ii) of this section (or such

other model statement as the Commissioner may prescribe); and

(B) The statement is provided at the bottom or on the back of the copy of the first producer's report (or in an attached document).

(iii) *Model statement describing subsequent sale.*

#### STATEMENT OF SUBSEQUENT SELLER (AVIATION FUEL)

---

Name, address, and employer identification number of seller in subsequent sale

---

---

Name, address, and employer identification number of buyer in subsequent sale

---

---

Date and location of subsequent sale

---

---

Volume and type of aviation fuel sold

The undersigned seller (the Seller) has received the copy of the first producer's report provided with this statement in connection with Seller's purchase of the aviation fuel described in this statement.

Under penalties of perjury, Seller declares that Seller has examined this statement, including any accompanying schedules and statements, and, to the best of Seller's knowledge and belief, it is true, correct and complete.

---

Printed or typed name of person signing

---

---

Title of person signing

---

---

Signature and date signed

---

(5) *Sale to multiple buyers.* If a first producer's report relates to aviation fuel that is divided among more than one buyer, multiple copies of the first producer's report should be made at the stage that the aviation fuel is divided and a copy given to each buyer. The reporting requirements of this paragraph (c) will be met only with respect to the fuel purchased by buyers that are given a copy of the report including any statement required under paragraph (c)(4) of this section.

(d) *Form and content of claim*—(1) *In general.* The following rules apply to claims for refund under section 4091(d):

(i) The claim must be made by the second producer and must include all the information described in paragraph (d)(2) of this section.

(ii) The claim must be made on Form 8849 (or such other form as the Commissioner may designate) in accordance with the instructions on the form. The form

should be marked *Section 4091(d) Claim* at the top. Section 4091(d) claims must not be included with a claim for a refund under any other provision of the Internal Revenue Code.

(2) *Information to be included in the claim.* Each claim for a refund under section 4091(d) must contain the following information with respect to the aviation fuel covered by the claim:

(i) Volume and type of aviation fuel.

(ii) Date on which the second producer acquired the aviation fuel to which the claim relates.

(iii) Amount of tax that the first producer paid to the government and a statement that the second producer has not included the amount of that tax in the sales price of the aviation fuel to which the claim relates and has not collected that amount from the person that bought the aviation fuel from the second producer, if any.

(iv) Name, address, and employer identification number of the first producer that paid the tax to the government.

(v) A copy of the first producer's report that relates to the aviation fuel covered by the claim.

(vi) A copy of any statement of a subsequent seller that the second producer received with respect to that aviation fuel.

(e) *Time for filing claim.* A claim for refund under section 4091(d) may be filed any time after the first producer has filed the return of the tax to which the claim relates and before the end of the period prescribed by section 6511 for the filing of a claim for refund of that tax.

(f) *Effective date.* This section is applicable with respect to refunds of tax imposed by section 4091 after December 31, 1998.

Par. 5. Section 48.4101-2T is added to read as follows:

*§48.4101-2T Information reporting (temporary).*

(a)(1) through (a)(3). [Reserved]

(a)(4) *Registered aviation fuel producers.* After June 30, 1999, each person that is registered under section 4101 as a producer of aviation fuel must make a return showing—

(i) The name and employer identification number of each unregistered person to whom it sold aviation fuel for resale;

(ii) The volume of the aviation fuel sold to such persons;

(iii) The date and location of such sales; and

(iv) Any other information required by the Commissioner.

(b) through (d). [Reserved]

Par. 6. Section 48.4101-3T is added to read as follows:

*§48.4101-3T Registration; special rules for kerosene (temporary).*

(a) *Application of §48.4101-1.* The references to diesel fuel in §§48.4101-1(a)(1) and (f)(1)(ii) are treated as references to either diesel fuel or kerosene, and the references in §§48.4101-1(b)(5)(i) and (f)(2) to paragraphs (c)(1) or (d) of §48.4101-1 are treated as references also to paragraph (c) of this section.

(b) *Transitional registration rule—(1) In general.* A person is treated as a taxable fuel registrant if, on June 30, 1998, the person—

(i) Is an enterer, refiner, terminal operator, or throughputter of kerosene and is registered under section 4101 as a producer or importer of aviation fuel; or

(ii) Operates one or more terminals that store kerosene (and no other type of taxable fuel) and each position holder at each of its terminals is a taxable fuel registrant.

(2) *Termination.* A person treated as registered under this paragraph (b) is treated as registered until the earlier of—

(i) The effective date of a registration issued under §48.4101-1(g)(3) with respect to kerosene;

(ii) The effective date of a revocation or suspension of registration under §48.4101-1(i); or

(iii) April 1, 1999.

(c) *Persons that may, but are not required to, be registered.* A person may, but is not required to, be registered under section 4101 with respect to the tax im-

posed by section 4081 if the person is a kerosene feedstock user (defined in §48.4082-9T).

(d) *Additional terms and conditions of registration for certain terminal operators.* A legible and conspicuous notice stating: “*DYED KEROSENE, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE*” must be provided by each terminal operator to any person that receives dyed kerosene at a terminal rack of that operator. This notice must be provided by the time of the removal and must appear on all shipping papers, bills of lading, and similar documents that are provided by the terminal operator to accompany the removal of the fuel.

(e) *Effective date.* This section is applicable after June 30, 1998.

Par. 7. Sections 48.6427-10T and 48.6427-11T are added to read as follows:

*§48.6427-10T Claims with respect to kerosene (temporary).*

(a) *Claims under §48.6427-8—(1) In general.* For purposes of §48.6427-8, *diesel fuel* includes *kerosene*.

(2) *Blocked pumps.* Kerosene is treated as satisfying the conditions of §48.6427-8(b)(1) only if it was not sold from a blocked pump (as described in §48.6427-11T(b)).

(b) *Claims under §48.6427-9.* For purposes of §48.6427-9, *diesel fuel* includes *kerosene*.

(c) *Effective date.* This section is applicable to kerosene taxed after June 30, 1998.

*§48.6427-11T Special rules for claims by registered ultimate vendors of kerosene (blocked pump)(temporary).*

(a) *Overview.* This section provides rules relating to claims by registered ultimate vendors for payments and income tax credits with respect to kerosene that is sold from a blocked pump. For rules relating to claims by registered ultimate vendors for kerosene that is sold for farming use or use by a State, see §§48.6427-9 and 48.6427-10T.

(b) *Definition; blocked pump.* A *blocked pump* is a fuel pump that meets the following conditions:

(1) It is used to dispense undyed kerosene that is sold at retail for use by the buyer in a nontaxable use.

(2) It is at a fixed location and cannot (because, for example, of its distance from a road surface or train track or the length of its delivery hose) be used to dispense fuel directly into the fuel supply tank of a diesel-powered highway vehicle or train.

(3) It is identified with a legible and conspicuous notice stating: “*UNDYED UNTAXED KEROSENE, NONTAXABLE USE ONLY*”.

(c) *Conditions to allowance of credit or payment.* Notwithstanding §48.6427-9(c), a claim for a credit or payment with respect to undyed kerosene is allowable under section 6427(l)(5)(B)(i) if—

(1) Tax was imposed by section 4081 on the kerosene to which the claim relates;

(2) The claimant sold the kerosene from a blocked pump;

(3) The claimant is a registered ultimate vendor of kerosene; and

(4) The claimant has filed a timely claim for a credit or payment that contains the information required under paragraph (e) of this section.

(d) *Form of claim.* The rules of §48.6427-9(d) apply to claims filed under this section.

(e) *Content of claim.* Each claim for credit or payment under this section must contain the following information with respect to all the kerosene covered by the claim:

(1) The total number of gallons covered by the claim.

(2) A statement by the claimant that tax has been imposed on the kerosene covered by the claim.

(3) The claimant's registration number.

(4) A statement that the claimant has not included the amount of the tax in its sales price of the kerosene and has not collected the amount of tax from its buyer.

(f) *Time and place for filing claim.* The rules of §48.6427-9(f) apply to claims filed under this section.

(g) *Effective date.* This section is applicable June 30, 1998.

**PART 145—TEMPORARY EXCISE TAX REGULATIONS UNDER THE HIGHWAY REVENUE ACT OF 1982 (PUB. L. 97-424)**

Par. 8. The authority citation for part 145 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Par. 9. Section 145.4052-1 is amended as follows:

1. Paragraph (a)(2)(ii) is redesignated as paragraph (a)(2)(ii)(A).

2. Paragraph (a)(2)(ii)(A), as redesignated, is amended by removing the language “Both” and adding “For a sale before July 1, 1998, both” in its place and removing the language “or” at the end.

3. Paragraph (a)(2)(ii)(B) is added to read as follows:

§145.4052-1 *Special rules and definitions.*

(a) \* \* \*

(2) \* \* \*

(ii) \* \* \*

(B) For a sale after June 30, 1998, and regardless of the registration status of the seller or the purchaser, the seller has in good faith accepted from the purchaser a statement that the purchaser executed in good faith and that is in substantially the same form as the certificate described in paragraph (a)(6) of this section, except that the statement must be signed under penalties of perjury and need not contain a registration number, or

\* \* \* \* \*

PART 602—OMB CONTROL  
NUMBERS UNDER THE  
PAPERWORK REDUCTION ACT

Par. 10. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 11. In §602.101, paragraph (c) is amended by:

1. Removing the following entry from the table:

§602.101 *OMB Control numbers.*

\* \* \* \* \*

(c) \* \* \*

CFR part or section where identified and described	Current OMB control number
--	-------------------------------

\* \* \* \* \*

145.4052-1 . . . . .	1545-0120
	1545-0745
	1545-1076

\* \* \* \* \*

2. Adding entries in numerical order to the table to read as follows:

§602.101 *OMB Control numbers.*

\* \* \* \* \*

(c) \* \* \*

CFR part or section where identified and described	Current OMB control number
--	-------------------------------

\* \* \* \* \*

48.4082-7T . . . . .	1545-1608
48.4082-8T . . . . .	1545-1608
48.4091-3T . . . . .	1545-1608

\* \* \* \* \*

48.4101-2T . . . . .	1545-1608
48.4101-3T . . . . .	1545-1608

\* \* \* \* \*

48.6427-11T . . . . .	1545-1608
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\* \* \* \* \*

145.4052-1 . . . . .	1545-1608
	1545-0120
	1545-0745
	1545-1076

\* \* \* \* \*

Michael P. Dolan,  
*Deputy Commissioner of  
Internal Revenue.*

Approved June 17, 1998.

Donald C. Lubick,  
*Assistant Secretary of  
the Treasury.*

(Filed by the Office of the Federal Register on June 26, 1998, 2:02 p.m., and published in the issue of the Federal Register for July 1, 1998, 63 F.R. 35799)



## Part III. Administrative, Procedural, and Miscellaneous

### Weighted Average Interest Rate Update

#### Notice 98-37

Notice 88-73 provides guidelines for determining the weighted average interest rate and the resulting permissible range of

interest rates used to calculate current liability for the purpose of the full funding limitation of § 412(c)(7) of the Internal Revenue Code as amended by the Omnibus Budget Reconciliation Act of 1987 and as further amended by the Uruguay Round Agreements Act, Pub. L. 103-465 (GATT).

The average yield on the 30-year Treasury Constant Maturities for June 1998 is 5.70 percent.

The following rates were determined for the plan years beginning in the month shown below.

Month	Year	Weighted Average	90% to 106% Permissible Range	90% to 110% Permissible Range
July	1998	6.55	5.90 to 6.95	5.90 to 7.21

#### Drafting Information

The principal author of this notice is Donna Prestia of the Employee Plans Division. For further information regarding this notice, call (202) 622-6076 between 2:30 and 3:30 p.m. Eastern time (not a toll-free number). Ms. Prestia's number is (202) 622-7473 (also not a toll-free number).

#### Notice of Proposed Rulemaking and Notice of Public Hearing

Kerosene Tax; Aviation Fuel Tax; Tax on Heavy Trucks and Trailers

REG-119227-97

DEPARTMENT OF THE TREASURY  
Internal Revenue Service  
26 CFR Part 48

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Proposed rule, notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In T.D. 8774, page 5 of this Bulletin, the IRS is issuing temporary regulations relating to the kerosene and aviation fuel excise taxes and the tax on the first retail sale of certain tractors, truck, trailer, and semitrailer chassis and

bodies. The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Written comments must be received by September 29, 1998. Requests to speak and outlines of oral comments to be discussed at the public hearing scheduled for Wednesday, November 4, 1998, must be received by September 29, 1998.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-119227-97), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered between the hours of 8:00 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-119227-97), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at [http://www.irs.ustreas.gov/prod/tax\\_regs/comments.html](http://www.irs.ustreas.gov/prod/tax_regs/comments.html). The public hearing will be held in the IRS Auditorium, Seventh Floor, 7400 Corridor, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Frank Boland (202) 622-3130; concerning submissions and the hearing, LaNita VanDyke (202) 622-7180 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### *Paperwork Reduction Act*

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, OP:FS:FP, Washington, DC 20224. Comments on the collection of information should be received by August 31, 1998. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and



Estimates of capital or start-up costs of operation, maintenance, and purchase of services to provide information.

The collection of information in this notice of proposed rulemaking is in §§48.4052-1, 48.4082-7(a), 48.4082-8(e), 48.4091-3(c), 48.4101-2(a)(4), 48.4101-3(d), and 48.6427-11. This information is required to support exempt transactions and to inform consumers of the type of fuel that is being purchased. The likely respondents are businesses and other for-profit organizations.

Estimated total annual reporting burden: 3,340 hours.

The estimated annual burden per respondent varies from .20 hours to 1 hour, depending on individual circumstances, with an estimated average of .29 hour.

Estimated number of respondents: 11,600.

Estimated annual frequency of responses: On occasion.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

#### *Background*

Temporary regulations published in T.D. 8774 provide rules relating to the kerosene tax, certain aviation fuel tax refunds allowed by section 4091(d), and registration requirements for certain heavy vehicle manufacturers and retailers. The text of those regulations also serves as the text of these proposed regulations relating to kerosene. The preamble to the temporary regulations explains the temporary regulations.

#### *Special Analyses*

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C.

chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that the time required to prepare and submit the exemption certificates described in these regulations (many of which are similar to certificates that are already in use) is minimal and will not have a significant impact on those small entities that choose to provide the certificates. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

#### *Comments and Public Hearing*

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted (in the manner described in the ADDRESSES caption) timely to the IRS. All comments will be available for public inspection and copying.

A public hearing has been scheduled for Wednesday, November 4, 1998, at 10 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW, Washington DC. Because of access restrictions, visitors will not be admitted beyond the Internal Revenue Building lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit comments by September 29, 1998, and submit an outline of the topics to be discussed and the time to be devoted to each topic by September 29, 1998.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

#### *Drafting Information*

The principal author of these regulations is Frank Boland, Office of the Assistant

Chief Counsel (Passthroughs and Special Industries), IRS. However, other personnel from the IRS and the Treasury Department participated in their development.

\* \* \* \* \*

#### *Proposed Amendments to the Regulations*

Accordingly, 26 CFR part 48 is proposed to be amended as follows:

#### **PART 48—MANUFACTURERS AND RETAILERS EXCISE TAXES**

Paragraph 1. The authority citation for part 48 is amended by adding entries in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Section 48.4052-1 also issued under 26 U.S.C. 4052 \* \* \*

Sections 48.4082-6, 48.4082-7, and 48.4082-8 also issued under 26 U.S.C. 4082 \* \* \*

Section 48.4101-3 also issued under 26 U.S.C. 4101(a) \* \* \*

Sections 48.6427-10 and 48.6427-11 also issued under 26 U.S.C. 6427(n) \* \* \*

Par. 2. In subpart H, §48.4052-1 is added to read as follows:

#### *§48.4052-1 Special rule.*

After June 30, 1998, the sale of an article is a taxable sale unless the seller has in good faith accepted from the purchaser a statement that the purchaser executed in good faith and that is in substantially the same form as the certificate described in §145.4052-1(a)(6) of this chapter, except that the statement must be signed under penalties of perjury and need not include a registration number.

Par. 3. Section 48.4081-1 is amended as follows:

1. Paragraph (b) is amended by adding the definition of kerosene.

2. Paragraph (d) is revised.

The addition and revision read as follows:

#### *§48.4081-1 Taxable fuel; definitions.*

\* \* \* \* \*

(b) \* \* \*

*Kerosene* means—

(1) The two grades of kerosene (No. 1-K and No. 2-K) described in ASTM Specification D 3699; and

(2) Kerosene-type jet fuel described in ASTM Specification D 1655 and military

specifications MIL-T-5624R and MIL-T-83133D (Grades JP-5 and JP-8). For availability of ASTM and military specification material, see §48.4081-1(c)(2)(i).

\* \* \* \* \*

(d) *Effective date.*

(1) Except as provided in paragraph (d)(2) of this section, this section is applicable January 1, 1994.

(2) In paragraph (b) of this section—

(i) The definition of aviation gasoline and the third sentence in the definition of terminal are applicable January 2, 1998; and

(ii) The definition of kerosene is applicable July 1, 1998.

Par. 4. Sections 48.4082-6, 48.4082-7, 48.4082-8, 48.4082-9 and 48.4082-10 are added to read as follows:

*§48.4082-6 Kerosene; treatment as diesel fuel in certain cases.*

[The text of this proposed section is the same as the text of §48.4082-6T published in T.D. 8774.]

*§48.4082-7 Kerosene; notice required with respect to dyed kerosene.*

[The text of this proposed section is the same as the text of §48.4082-7T published in T.D. 8774.]

*§48.4082-8 Kerosene; exemption for aviation-grade kerosene.*

[The text of this proposed section is the same as the text of §48.4082-8T published in T.D. 8774.]

*§48.4082-9 Kerosene; exemption from non-fuel feedstock purposes.*

[The text of this proposed section is the same as the text of §48.4082-9T published in T.D. 8774.]

*§48.4082-10 Kerosene; additional exemption from floor stocks tax.*

[The text of this proposed section is the same as the text of §48.4082-10T published in T.D. 8774.]

Par. 5. Section 48.4091-3 is added to read as follows:

*§48.4091-3 Aviation fuel; conditions to allowance of refunds of aviation fuel tax under section 4091(d).*

[The text of this proposed section is the same as the text of §48.4091-3T published in T.D. 8774.]

Par. 6. Section 48.4101-2 is amended by adding paragraph (a)(4) to read as follows:

*§48.4101-2 Information reporting.*

(a) \* \* \*

(4) *Registered aviation fuel producers.*

[The text of this proposed paragraph is the same as the text of §48.4101-2T(a)(4) published in T.D. 8774.]

Par. 7. Section 48.4101-3 is added to read as follows:

*§48.4101-3 Registration; special rules for kerosene.*

[The text of this proposed section is the same as the text of §48.4101-3T published in T.D. 8774.]

Par. 8. Sections 48.6427-10 and 48.6427-11 are added to read as follows:

*§48.6427-10 Claims with respect to kerosene.*

[The text of this proposed section is the same as the text of §48.6427-10T published in T.D. 8774.]

*§48.6427-11 Special rules for claims by registered ultimate vendors of kerosene (blocked pump).*

[The text of this proposed section is the same as the text of §48.6427-11T published in T.D. 8774.]

Michael P. Dolan,  
Deputy Commissioner of  
Internal Revenue.

(Filed by the Office of the Federal Register on June 26, 1998, 2:02 p.m., and published in the issue of the Federal Register for July 1, 1998, 63 F.R. 35893)

## Part IV. Items of General Interest

### Foreign Liquidations and Reorganizations; Amendment Announcement 98-69

AGENCY: Internal Revenue Service (IRS), Treasury

ACTION: Amendment to notice of proposed rulemaking.

SUMMARY: This document removes from an existing (1991) notice of proposed rulemaking [INTL-54-91; INTL-178-86, 1991-2 C.B. 1070] the special (August 26, 1991) effective date rule for the definition of the all earnings and profits amount. The IRS and the Treasury Department believe that issues regarding the all earnings and profits amount should be studied; thus, when final regulations under section 367(b) are issued with respect to the all earnings and profits amount, such regulations will have a prospective effective date. This modification may affect domestic corporations in connection with an acquisition of a foreign corporation in a liquidation described in section 332 or in an asset acquisition described in section 368(a)(1)).

DATES: Written comments must be received by September 17, 1998.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-209035-86), Room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-209035-86), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Philip L. Tretiak at (202) 622-3860 (not a toll-free call).

#### SUPPLEMENTARY INFORMATION:

##### *Background*

Section 367(b) was enacted in its current form by the Tax Reform Act of 1976. On December 27, 1977, proposed and temporary regulations §§7.367(b)-1 through 7.367(b)-12 were adopted (T.D.

7530, 1978-1 C.B. 92). Prior to the issuance of a notice of proposed rulemaking in 1991 (the 1991 proposed regulations), discussed below, the regulations under section 367(b) were amended on several occasions. The 1991 proposed regulations, which were published in the **Federal Register** on August 26, 1991 (56 F.R. 41993), propose to completely revise the regulations under section 367(b), as well as the rules under section 367(a) with respect to certain transfers of stock or securities by U.S. persons to foreign corporations.

Section 1.367(b)-6(a) of the proposed regulations provides that the rules contained in the section 367(b) proposed regulations will be effective for exchanges that occur on or after the date that is 30 days after final regulations are published. However, an exception to the general effective date provides that §1.367(b)-2(d) (relating to the definition and computation of the "all earnings and profits amount") is effective for exchanges that occur on or after August 26, 1991. T.D. 8770, a package of final regulations, published in 1998-27 I.R.B. 4, contains final rules with respect to the section 367(a) portion of the 1991 proposed regulations (to the extent that such rules were not previously finalized) and final rules with respect to the section 367(b) portion of the 1991 proposed regulations, but generally only to the extent that a particular transaction is subject to both sections 367(a) and (b). The final regulations do not address the all earnings and profits amount.

The IRS and the Treasury Department believe that issues regarding the all earnings and profits amount should be studied before final regulations are promulgated. Moreover, the IRS and the Treasury Department believe that the final regulations concerning the all earnings and profits amount should not be subject to a special effective date. Thus, this notice of proposed rulemaking removes from the 1991 proposed regulations the special (August 26, 1991) effective date rule for the definition of the all earnings and profits amount. When final regulations under section 367(b) are issued with respect to the all earnings and profits amount, such regulations will have a prospective effective date.

##### *Special Analysis*

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that this regulation does not have a significant impact on small entities because this regulation, which only contains a limited effective date rule, impacts only U.S. corporations with investments in foreign corporations. Thus, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply to these regulations, and therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

##### *Comments*

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the Internal Revenue Service. All comments will be available for public inspection and copying.

##### *Drafting Information*

The principal author of these proposed regulations is Philip L. Tretiak of the Office of Associate Chief Counsel (International), IRS. However, other personnel from the IRS and the Treasury Department participated in their development.

\* \* \* \* \*

##### *Proposed Amendments to the Regulations*

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805. \* \* \*

##### **§1.367(b)-6 [Amended]**

Par. 2. Section 1.367(b)-6, as proposed to be added on Monday, August 26, 1991



(56 F.R. 42015), is amended by removing the last sentence of paragraph (a).

Michael P. Dolan,  
*Deputy Commissioner of  
Internal Revenue.*

(Filed by the Office of the Federal Register on June 18, 1998, 8:45 a.m., and published in the issue of the Federal Register for June 19, 1998, 63 F.R. 33595)

## Deletions from Cumulative List of Organizations Contributions to Which Are Deductible Under Section 170 of the Code

### Announcement 98-70

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on July 27, 1998, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1).

For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual who was responsible, in whole or in part, for the acts or omissions

of the organization that were the basis for revocation.

Larry Lee Ministries  
Rowlett, TX  
Share, Inc.  
Chicago, IL

## Foundations Status of Certain Organizations

### Announcement 98-71

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

*Former Public Charities.* The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

Oconee Greenway Organization Inc.,  
Athens, GA  
Ohio Emergency Response Center,  
London, OH  
Oklahoma Coalition for Victims Rights  
Inc., Tulsa, OK  
Old Erie Community Development  
Corporation, Evansville, IN  
On the Daddy Track Inc., New  
Berlinville, PA  
Open Hands Ministry Inc., Buford,  
GA  
Operation Save the Children Inc.,  
San Antonio, TX  
Operation S T R E E T S Inc.,  
Jacksonville, FL  
Orangedale Parent-Teacher-Student  
Organization, Phoenix, AZ  
Orchid Association, Middletown, OH  
Orland Park Pioneer Wrestling Boosters  
Association, Orland Park, IL  
Orleans Community Housing  
Development Corporation, Metairie,  
LA

Oromo Community in San Diego, San  
Diego, CA  
Owensboro Rotary Club Foundation Inc.,  
Owensboro, KY  
Pak Impak, Doylestown, PA  
Pan African Federation Organization Inc.,  
Philadelphia, PA  
Parent Teacher Organization of Benvenue  
Elementary School, Rocky Mount, NC  
Parents Reaching Out of Davidson  
County, Lexington, NC  
Parents Teach Parents English as a  
Second Language Inc., Saddle River,  
NJ  
Park City Youth Coalition I Incorporated,  
Park City, UT  
Park Falls Area Community Foundation  
Inc., Park Falls, WI  
Partners for Independence Inc., Piney  
Flats, TN  
Partnerships in Building Illinois, Peoria,  
IL  
Pathways Inc., Reidsville, NC  
Patricia Stevens College Foundation Inc.,  
St. Louis, MO  
P A W Safety Charities, Dallas, TX  
Peachtree City Concert Band Inc.,  
Peachtree City, GA  
Pebbles of Faith, Inc., Bolivar, MO  
Pennsylvania Advisory Committee on  
Alcohol Drugs and Disabilities,  
Philadelphia, PA  
People Reaching Out Center, Chicago, IL  
Perrine Baseball and Softball  
Association, Miami, FL  
Personal Development Institute Inc.,  
Tucson, AZ  
Phoenix Center Association, Phoenix,  
AZ  
Physicians for a Violence-Free Society,  
Dallas, TX  
Pikes Peak Festival of Learning Inc.,  
Colorado Springs, CO  
Pines of McCormick, McCormick, SC  
Pioneering Black America Foundation,  
Wentzville, MO  
Pittsburgh Community Reinvestment  
Group, Pittsburgh, PA  
Plexus, Richmond, VA  
Plymouth Housing Alliance, Plymouth,  
MN  
Ponte Vedra-Palm Valley Athletic  
Association Inc., Ponte Verda Beach,  
FL  
Posey International Center for the Study  
of Traditional Knowledge, Henderson,  
KY

Present Time Dream Factory, Santa Fe, NM  
 Presentation Catholic Church Community in Action Inc., Chicago, IL  
 Prestonburg-Floyd County Public Properties Corporation, Prestonburg, KY  
 Prevention Place Inc., Forest City, NC  
 Probationers Educational Growth Advisory Council Inc., New Port Richey, FL  
 Professional Ski Instructors of America-Intermountain Division, Salt Lake City, UT  
 Project Goodwill Inc., Columbus, OH  
 Project Help of West Orlando, Orlando, FL  
 Project S T A R S, Baytown, TX  
 Project Training Education and Motivation Inc., Beavercreek, OH  
 Pyramid Recovery Center, Memphis, TN  
 Quakertown Community Hospital Medical Foundation, Bethlehem, PA  
 Quantum Testing and Research Institute, Park Forest, IL  
 Raphael Heights Homes Inc., Phila, PA  
 Reality Theatre Company, Albuquerque, NM  
 Red Path Inc., Flagstaff, AZ  
 Renaissance Economic Development Project of Park Heights Inc., Baltimore, MD  
 Resource Reutilization Network Inc., Leonia, NJ  
 Resourcemobile Inc., Miami, FL  
 Resurrection Catholic School Endowment Fund, Lakeland, FL  
 Rev. Willie L. Jordan Community Service Center Inc., Harvey, IL  
 Rio Vista Equipo Medico Inc., Shrewsbury, NJ  
 River Cities Boy Choir, Parkersburg, WV  
 Riverfront Musical Festival Inc., Tampa, FL  
 Riverside Development Corporation Inc., Minneapolis, MN  
 River View Health Systems Inc., Erdenheim, PA  
 Robert Abbott Middle School PTO, Waukegan, IL  
 Robert E. Willis Sr. Gift Book Program Inc., Murfreesboro, TN  
 Ros Inc., Birmingham, AL  
 Rotary Club of Niles Morton Grove Charitable Foundation, Niles, IL  
 R-USA, Evergreen, CO  
 Safe Campuses Now Inc., Athens, GA  
 Safe Talk Inc., Littlestown, PA  
 Salvation Army Reno Residences Inc., Rancho Palos Verdes, CA  
 Satellite Touch Down Club Inc., Satellite Beach, FL  
 Scat Association, Middletown, OH  
 Scenic Associates, Wilmington, NC  
 Scholastic Art Awards of Central Indiana Inc., Indianapolis, IN  
 Science Exposures Inc., Rochester, MN  
 Seneca Falls, Chicago, IL  
 Senior Citizen Housing Alliance, Longmont, CO  
 Share Arkansas, Little Rock, AR  
 Sids Alliance of Illinois Inc., Glenview, IL  
 Singing Americans of Stanley County North Carolina Inc., Badin, NC  
 Singles Helping Others Inc., Princeton, NJ  
 Sluggers Forever Inc., New Ulm, MN  
 Smith College Class of 1988, San Antonio, TX  
 Snyder Educational Enrichment Foundation, Snyder, OK  
 Society for Chronic Diseases, Minneapolis, MN  
 South Beach Film Festival Inc., North Miami Beach, FL  
 South George Street Community Partnership, York, PA  
 South Gulf Basketball Officials Association Inc., Lehigh Acres, FL  
 Southeast Asian American Community Organization LTD, Des Moines, IA  
 Southeastern Minnesota High School Honors Choir, Byron, MN  
 Southern Nursing Research Society, Columbia, SC  
 Southern Orthodox Radio Communications Enterprises Source, Miami, FL  
 Southwest Museum Foundation Inc., Mesa, AZ  
 Sparta White County Citizens for the Arts, Sparta, TN  
 Sprague High School Choir Boosters Foundation Inc., Salem, OR  
 Springview Substance Abuse & Outreach Program, Chat, TN  
 St. Landry High School Rodeo Association, Opelousas, LA  
 St. Marthas Housing II Inc., Sarasota, FL  
 St. Paul Midway Lions Club Foundation Inc., W. St. Paul, MN  
 St. Thomas All Stars Steel Band, St. Thomas, VI  
 Stapleton Coyote Booster Club, Rio Rancho, NM  
 Stephens Evangelistic Association, Inc., Seagoville, TX  
 Stop Sudden Infant Death Syndrome Minnesota, Cottage Grove, MN  
 Stoughton Rotary Special Projects Foundation Inc., Stoughton, WI  
 Summit County Rotary Foundation, Beckenridge, CO  
 Summit Educational Ass. Inc., New Berlin, WI  
 Super Leaders Incorporated, Washington, DC  
 Sussex County Foundation for Special Needs Inc., Sparta, NJ  
 Teacher Education Foundation, Baton Rouge, LA  
 Teamster Disaster Relief Fund, Washington, DC  
 Teen Reach Corporation, Crestwood, IL  
 Teens Educators Moms Pops Organization Tempo of Lakeland, Lakeland, FL  
 Tendu Inc., Houston, TX  
 Tennessee Art Education Association, Waverly, TN  
 Tennessee Early Intervention Network for Children with Disabilities, Nashville, TN  
 Terrapin Theatre, Chicago, IL  
 Tewsbury Athletic Association Inc., Califon, NJ  
 Thacker Avenue Elementary PTO, Kissimmee, FL  
 The D. Association for Youth, Seattle, WA  
 Thirty One Cuozzo St. Inc., Belleville, NJ  
 3-Dimensional Recovery Services Inc., Oklahoma City, OK  
 311 Main Street, Carnegie, PA  
 Thunderbird Clubhouse Board Inc., Norman, OK  
 Tight & Shiny Theater Productions, Chicago, IL  
 Top of Florida Soccer Club Inc., Tallahassee, FL  
 Topeka Teens Making a Difference Inc., Topeka, KS  
 Tow Operators Working to Eliminate Drunk Driving Inc., Greencastle, IN  
 Towncreek Vision Corp., Leland, NC  
 Transistional Units Assisting Mankind, Houston, TX  
 Trautwein School Mothers Club of the Mehlville School District, St. Louis, MO  
 Trees for Memphis Incorporated, Germantown, TN



Trenton Park Neighborhood Corporation,  
 Washington, DC  
 Trinity Family Center, Lancaster, PA  
 Tulsa Youth Hockey Association, Tulsa,  
 OK  
 Turner Jackson Memorial Fund Inc.,  
 Trenton, NJ  
 Tyler Home Health Services,  
 Tunkhannock, PA  
 U-Care Inc., Milwaukee, WI  
 United Black Fund of Prince Georges  
 County Maryland Inc., Hyattsville,  
 MD  
 United Sponsors Society, Sicklerville, NJ  
 United States Driving Foundation, Inc.,  
 Annapolis, MD  
 Unity Hospice Care Inc., Morgantown,  
 WV  
 Unitversity of Minnesota M. Club  
 Foundation, St. Louis, MN  
 Up on the Mountain Inc., Signal  
 Mountain, TN  
 Up With Down Syndrome Inc.,  
 Columbus, GA  
 Uplift Recovery Home Inc., Chicago, IL  
 Upper Valley Association for the  
 Education of Young Children, Piqua,  
 OH  
 Uptown Lenoir Heritage Association Inc.,  
 Lenoir, NC  
 Utah Chamber Artists, Midvale, UT  
 Veterans & Community Outreach  
 Foundation, Flowery Branch, GA  
 Veterans Memorial Park Monument  
 Foundation Inc., Pensacola, FL  
 Veterans Self Help Group Foundation,  
 Flint, MI  
 Vetter Foundation, Omaha, NE  
 Vicki Popdan Foundation, Gaithersburg,  
 MD  
 Victim Sensitive Intervention Program,  
 Chicago, IL  
 Victory Through L O V E Inc., Deland,  
 FL  
 Village Conservancy Inc., Cashiers, NC  
 Virginia Gay Hospital, Vinton, IA  
 Visually Impaired-Blind Support Training  
 and Assistance Group, Blythe, CA  
 VJS Inc., Seneca, PA  
 Volunteer Action Center of Indian River  
 County Inc., Vero Beach, FL  
 Volunteer Council for the Arizona Dept.  
 of Youth Treatment and Rehabilitation,  
 Phoenix, AZ  
 Walk Worthy Inc., Altamonte Springs, FL  
 Wall St. Danceworks Inc., Asheville, NC  
 War Casualties Memorial Association  
 Inc., Phenix City, AL  
 Ward Family Foundation Inc., Chicago,  
 IL  
 Warren Police Drug Abuse Resistance  
 Education D A R E Inc., Warren, MI  
 Washington Action Line, New Orleans,  
 LA  
 Wayzata Womens Choir, Wayzata, MN  
 Weber Human Services, Ogden, UT  
 Well-Spring, Allentown, PA  
 Wellspring Ministries, Whitehall, PA  
 Wesley Agape House Inc., Alexandria,  
 VA  
 West Cecil B. Moore Community  
 Corporation, Philadelphia, PA  
 West Central Illinois Center for  
 Independent Living, Quincy, IL  
 West Mesa High School Mustang  
 Football Boosters, Albuquerque, NM  
 West Orange High School Foundation  
 Inc., Windermere, FL  
 West Tallahatchie Day Care Inc., Webb,  
 MS  
 West Tennessee Cares, Jackson, TN  
 Western States Conference for Pharmacy  
 Residents Fellowships, Stockton, CA  
 Westmoreland Chodo Inc., Latrobe, PA  
 Westmoreland Human Services Inc.,  
 Greensburg, PA  
 Westpine Middle School Parent Teacher  
 Organization, Sunrise, FL  
 Whitestone Corporation, Lumberton, NJ  
 Wilson County Transportation Service  
 Inc., Wilson, NC  
 Windsor Freer Parents Association,  
 Imperial, MO  
 Winstanley-Industry Park Neighborhood  
 Organization, East St. Louis, IL  
 With Love Foundation Inc., Houston, TX  
 Wives Clubs Thrift Shop, Great Falls, MT  
 World Medical Relief, Geneva, IL  
 Wyoming Agricultural Leadership  
 Council, Cheyenne, WY  
 Yacai Inc., Baltimore, MD  
 Yale Hospital Properites Inc., Yale, MI  
 Young Virtuosos International, Dallas,  
 TX  
 Youth Sports Association, Long Beach,  
 CA  
 If an organization listed above submits  
 information that warrants the renewal of  
 its classification as a public charity or as a  
 private operating foundation, the Internal  
 Revenue Service will issue a ruling or de-  
 termination letter with the revised classi-  
 fication as to foundation status. Grantors  
 and contributors may thereafter rely upon  
 such ruling or determination letter as pro-  
 vided in section 1.509(a)-7 of the Income  
 Tax Regulations. It is not the practice of  
 the Service to announce such revised clas-  
 sification of foundation status in the Inter-  
 nal Revenue Bulletin.

## Definition of Terms

*Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:*

*Amplified* describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

*Clarified* is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

*Distinguished* describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

*Modified* is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

*Obsoleted* describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

*Revoked* describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

*Superseded* describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

*Supplemented* is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

*Suspended* is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

## Abbreviations

*The following abbreviations in current use and formerly used will appear in material published in the Bulletin.*

A—Individual.  
Acq.—Acquiescence.  
B—Individual.  
BE—Beneficiary.  
BK—Bank.  
B.T.A.—Board of Tax Appeals.  
C.—Individual.  
C.B.—Cumulative Bulletin.  
CFR—Code of Federal Regulations.  
CI—City.  
COOP—Cooperative.  
Ct.D.—Court Decision.  
CY—County.  
D—Decedent.  
DC—Dummy Corporation.  
DE—Donee.  
Del. Order—Delegation Order.  
DISC—Domestic International Sales Corporation.  
DR—Donor.  
E—Estate.  
EE—Employee.

E.O.—Executive Order.  
ER—Employer.  
ERISA—Employee Retirement Income Security Act.  
EX—Executor.  
F—Fiduciary.  
FC—Foreign Country.  
FICA—Federal Insurance Contribution Act.  
FISC—Foreign International Sales Company.  
FPH—Foreign Personal Holding Company.  
F.R.—Federal Register.  
FUTA—Federal Unemployment Tax Act.  
FX—Foreign Corporation.  
G.C.M.—Chief Counsel's Memorandum.  
GE—Grantee.  
GP—General Partner.  
GR—Grantor.  
IC—Insurance Company.  
I.R.B.—Internal Revenue Bulletin.  
LE—Lessee.  
LP—Limited Partner.  
LR—Lessor.  
M—Minor.  
Nonacq.—Nonacquiescence.  
O—Organization.  
P—Parent Corporation.

PHC—Personal Holding Company.  
PO—Possession of the U.S.  
PR—Partner.  
PRS—Partnership.  
PTE—Prohibited Transaction Exemption.  
Pub. L.—Public Law.  
REIT—Real Estate Investment Trust.  
Rev. Proc.—Revenue Procedure.  
Rev. Rul.—Revenue Ruling.  
S—Subsidiary.  
S.P.R.—Statements of Procedural Rules.  
Stat.—Statutes at Large.  
T—Target Corporation.  
T.C.—Tax Court.  
T.D.—Treasury Decision.  
TFE—Transferee.  
TFR—Transferor.  
T.I.R.—Technical Information Release.  
TP—Taxpayer.  
TR—Trust.  
TT—Trustee.  
U.S.C.—United States Code.  
X—Corporation.  
Y—Corporation.  
Z—Corporation.

## Numerical Finding List<sup>1</sup>

Bulletin 1998–29

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<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 1998–1 through 1998–28 will be found in Internal Revenue Bulletin 1998–29, dated July 20, 1998.

## Finding List of Current Action on Previously Published Items<sup>1</sup>

Bulletin 1998–29

\*Denotes entry since last publication

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<sup>1</sup> A cumulative finding list for previously published items mentioned in Internal Revenue Bulletins 1998–1 through 1998–28 will be found in Internal Revenue Bulletin 1998–29, dated July 20, 1998.

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